

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 IO-14 ISO-00 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SPC-03 FEA-02 OMB-01 DRC-01 /218 W

----- 072462

R 121540Z MAR 74

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 7497

INFO AMEMBASSY ACCRA

AMEMBASSY BRASILIA

AMEMBASSY LAGOS

AMEMBASSY LISBON

AMEMBASSY LOME

AMEMBASSY LONDON

AMEMBASSY MONROVIA

AMEMBASSY PARIS

AMEMBASSY YAOUNDE

AMCONSUL LUANDA

USMISSION GENEVA

USMISSION USUN NEW YORK

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MONROVIA FOR AGATT

E O 11652: NA

TAGS: EAGR, IV, XA, XM

SUBJ: IVORY COAST COFFEE/COCOA POLICY

REF: ABIDJAN 1744 (NOTAL)

1. EMBOFF AND REGIONAL AGATT CALLED ON GOIC DIR-GEN OF
AGRICULTURAL STABILIZATION FUND (CSSPPA) ABDOULAYE FADIGA

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RE COCOA ALLIANCE MEETING (REFTEL) AND "CAFE MONDIAL". FADIGA

STATED COCOA ALLIANCE POSITION ON NEW PRICE FLOOR/CEILING TO BE RENEGOTIATED AT NEXT INT'L COCOA AGREEMENT SESSION WOULD BE BASED ON AVERAGE 35 PERCENT INCREASE IN PRODUCTION COSTS (FERTILIZER AND INSECTICIDE PARTICULARLY), EXACT FIGURES TO BE 34 CENTS/POUND FLOOR AND 43 CENTS/POUND CEILING.

2. FADIGA DESCRIBED "CAFE MONDIAL" AS PRODUCERS ANSWER TO ABROGATION OF ECONOMIC CLAUSES OF INT'L COFFEE AGREEMENT (FYI: HE REFERRED TO MEMBERSHIP AS BRAZIL, COLUMBIA, IVORY COAST AND ANGOLA, NOT RPT NOT PORTUGAL.) WHEN QUESTIONED ON FUNDING OF ORGANIZATION, HE STATED THAT EACH COUNTRY WAS PUTTING UP "ITS SHARE" AND REST WAS LOAN (SOURCE NOT DISCLOSED). TOTAL RESOURCES GIVEN AT 40 MILLION POUNDS STERLING. HE STATED (RATHER PATERNALISTICALLY) THAT BIG FOUR PRODUCERS UNDERSTOOD THAT SMALLER PRODUCERS, OFTEN HAD TO SELL AT INOPPORTUNE MOMENT DUE TO FINANCIAL PRESSURES. THEREFORE, RATHER THAN LET INFLUX OF COFFEE AT LOWER PRICES DRAG REST OF MARKET DOWN, "CAFE MONDIAL" WOULD PURCHASE AND RESELL AT BETTER TIME.

3. RE LONG TERM GOIC COFFEE AND COCOA PRODUCTION POLICY, FADIGA STATED THAT GOIC DID NOT INTEND TO INCREASE LAND DEVOTED TO COFFEE (THIS COULD BE USED FOR OTHER "AGRICULTURAL DIVERSIFICATION" PROJECTS), BUT WAS WORKING ON INCREASED YIELD PER HECTARE. (FYI: ON SAME SUBJECT HE STATED THAT ARABUSTA EXPERIMENTAL PLANTATIONS WERE BEING SO CAREFULLY TENDED, EG. SOIL TREATMENT, IRRIGATION, ETC. THAT THEY QUALIFIED AS "GARDENS" INSTEAD OF "PLANTATIONS". HE FELT THIS WAS TOTALLY UNREALISTIC AS YIELD PER HECTARE BASED ON THESE TRIALS WOULD NOT BE SAME AS EVENTUAL PEASANT PRODUCTION SINCE PEASANT FARMER NOT PREPARED TO "GARDEN" FINANCIALLY OR OTHERWISE. END FYI). ON COCOA, FADIGA REFERRED TO PRES. HOUPHOUET'S GOAL OF MAKING IVORY COAST "IF NOT LEADING PRODUCER THEN CLOSE TO" AS HE (HOUPHOUET) FELT THAT CURRENT TOP PRODUCERS (EG. GHANA) WERE NOT PROVIDING THE KIND OF LEADERSHIP NECESSARY. HE CONFIRMED EMBASSY IMPRESSION

THAT GOIC DECISION TO INCREASE PURCHASE PRICE OF COCOA TO FARMER 30 PERCENT THIS CROP YEAR WAS TO ENCOURAGE INCREASED PRODUCTION.

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4. ON SUBJECT OF BRAZILIAN PURCHASES OF IVORIAN COFFEE, FADIGA REFUSED TO ADMIT ACTUAL SALES BUT SPOKE OF 8 MILLION SACK BRAZILIAN INTERNAL CONSUMPTION AND VALIDITY OF BRAZILIAN POLICY OF SELLING OWN COFFEE ON WORLD MARKET AND BUYING CHEAPER (READ ROBUSTA) COFFEE FOR DOMESTIC CONSUMPTION. HE NOTED THAT THIS COULD BE A MIXED BLESSING: IN SHORT RUN INCREASED SALES OF IVORIAN ROBUSTA BUT POSSIBILITY THAT IN LONG RUN BRAZIL WOULD PRODUCE ROBUSTA FOR DOMESTIC AND/OR WORLD SALES.

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Message Attributes

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30 JUN 2005

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